

24 December 1975

MEMORANDUM FOR: Mr. Dirks
Mr. Donnalley
Mr. Taylor
Mr. Wells

Herewith the overview section of the
Intelligence Decision Book taken by the President
to Vail. You will note that our labors of the
summer were not totally in vain.



RICHARD LEHMAN

STAT

PRINCIPLES AND POLICY

The purpose of this chapter is to assist you in developing goals and principles concerning the Intelligence Community. They will provide direction for the Community and serve as "guideposts" as you make your decisions on the issues which follow. This chapter focuses on:

- * The need for charters to increase accountability which is necessary to restore public confidence in the Intelligence Community.
- * The need to clarify the relationship between the Congress and the Executive.
- * The need to clarify relationships within the Executive Branch.

A. INTRODUCTION

The focus of all investigations of the Intelligence Community (principally by the House and Senate Select Committees) has been on abuses, domestic and foreign. On the other hand, other recent studies have addressed the problem of improving the organization and management of the Community. Certain consumers of intelligence have focused on the need to improve product quality and to meet emerging needs in non-Defense areas, such as economic intelligence. And, finally, critics outside the Administration and Community leaders have recognized the need to improve protection of secrecy and, at the same time, to provide for wider dissemination of intelligence product to those who have a need to know.

Goals

The current attention focused on the Community provides you with the opportunity to deal with these issues. In reaching decisions on the more detailed issues, there are five goals which you may wish to adopt:

- Abuses should be eliminated and this must be clearly understood by the Congress and the public.
- The organization and management of the Community should be improved.
- The quality of the intelligence product should be improved.
- Secrecy, including sources and methods, should be protected, consistent with necessary dissemination of the Community's product to policy officials.
- Establish more effective relations with Congress involving the Intelligence Community.

To achieve these five goals, you must restore public confidence in the Community, its legitimacy and its adherence to the law. Unless this confidence is restored, the soundest decisions will never result in achievement of these goals.

The decisions necessary to achieve these goals should, if possible, be taken comprehensively and at the same time. Steps to achieve one goal will necessarily have an impact on another. For example, decisions on organization and management will necessarily affect quality. Preventing abuses

through excessive restriction of Community collection activities may lead to a demoralized and ineffective Community, thus reducing the quality of the product and of the people attracted to the Community. Lack of concern for protection of secrecy sources and methods could severely damage the continuing effectiveness of the Community.

Problems

The analysis of ways to achieve these five goals has shown that there are three underlying problems which must be solved. The first of these is the lack of adequate charters for the key agencies that make up the Community.

This lack has made it possible to criticize the Community for actions taken in the past that were consistent with the needs of the time, but that are not acceptable today.

Further, there have been ambiguities and imprecision in the role and functions of certain elements of the Community, as pointed out by the Rockefeller Commission. And lastly, because neither the National Security Agency nor the Defense Intelligence Agency has been created by statute, critics have been able to impugn their legitimacy. Restoration of public confidence in the Community may require a more explicit charter, and particularly a set of restrictions on the Community to eliminate and prevent abuses.

The second fundamental problem has been the relationship between Congress and the Executive. This relationship has

gone undefined throughout history, and the recent House and Senate intelligence investigations have strained relations between Congress and the Executive. Congress has asserted a need for more information to be able to judge our foreign policy, but that need must be balanced with the need of the Executive to conduct that foreign policy without necessary or damaging restrictions.

The third underlying problem is the ambiguous relationship among intelligence officials and agencies within the Executive Branch, particularly between the Department of Defense and the Director of Central Intelligence. In 1971, the DCI was designated the leader of the Community by Presidential Directive, but many argue that he was not given the tools to do that job. The need to deal with the first two problems makes this a propitious time to take another look at that relationship and to decide to what degree management and organizational changes are desirable. This is an historic opportunity to make changes that probably would be impossible in normal times.

Strategy

In dealing with these three underlying problems, there are certain questions of strategy which must also be addressed. One is the degree of public discussion and attention which you should give these issues and these changes. Another is the appropriate strategy with respect to Congress and the form your decisions should take: new

legislation, new Executive Orders, classified instructions to the Community, public statements, or combinations of all four. These issues will be dealt with in more detail after you have the substantive decisions.

B. THE NEED FOR A CHARTER

In discussing the charter of the Intelligence Community, there is a need to distinguish between two very different activities, policy-making and providing information and services.

If one views the CIA and the Intelligence Community as primarily policy-making organizations, ways would have to be found to increase the participation by the heads of intelligence organizations in major policy decisions.

However, this will probably be characterized by some members of Congress and the Press as having unfortunate consequences. However, the other side of this argument is that the intelligence agencies are and should remain service agencies, and their role of providing intelligence should not be tainted or biased toward attempting to make their bosses' policies come true.

The lack of a charter for specific components of the Intelligence Community (such as the NSA and the DIA) and the lack of a detailed charter for the CIA, have led to ambiguities and unclear guidelines.

In dealing with the broad question of the Community's charter, two subsidiary policy questions can be posed:

ISSUE: Should the charter of the Community institute greater accountability?

A key concept running through the analysis to date is the degree of accountability in the Community -- accountability to the President, to statutes, to the Constitution. Accountability is at the heart of the question of achieving the overriding objective of improving public confidence. The most obvious aspect of accountability is raised by covert actions, but the concept applies to all functions of the Community and its management.

OPTIONS:

1. Visibly increase the accountability within the Executive by streamlining the chain of command to insure that specifically identified individuals are responsible for specifically defined Intelligence Community actions. This will help prevent abuses and encourage efficiency and excellence in performance. (For example, decisions concerning electronic surveillance are made throughout the Community and it is difficult to fix responsibility.)

2. Do not move toward greater accountability since
the existing mechanisms (including NSC/40
Committee structure) can be improved sufficiently.

Much of the criticism of the approval of covert actions has centered on a few examples which were not in fact in any way the result of inadequate approval mechanism or staff work.

Even if the present system were scrapped, something similar would have to replace it. Some changes could and should be made administratively, but they need not alter the present system and we should oppose attempts on the part of Congress to repeal the flexibility given under the National Security Act of 1947.

The following charts demonstrate the complex relationships in the Intelligence Community and diffusion of accountability.

ISSUE: Do the Community's statutory and administrative charters adequately deal with covert action?

This is currently one of the most controversial aspects of the Community's operations. A great deal of information has come to light on the Community's covert operations. You have addressed several aspects of them as they have emerged through your creation of the Rockefeller Commission, your public response to its Report, comments on the Assassination Report, etc.

You have defined your position on this issue in public statements. You are following two principles concerning covert actions:

First, they are necessary in the national interest and therefore should not be prohibited across-the-board by statute or Executive action; and,

Second, there have been abuses in the past (e.g., assassination planning) and you have stopped abuses and will prevent them from occurring in the future by Executive Order.

C. THE NEED TO CLARIFY THE CONGRESS - EXECUTIVE RELATIONSHIP

ISSUE: Should any new charter for the Intelligence Community be primarily statutory or administrative?

The lack of a statutory charter for specific components of the Intelligence Community (such as the NSA

and the DIA), except CIA's very vague charter in the National Security Act of 1947, have led to difficulties between Congress and the Executive. The prime reason for seeking a new charter for elements of the Community would be to assist in eliminating and preventing abuses. Many argue that this is needed to rebuild public confidence in the Intelligence Community. The present charter does not adequately deal with the reporting relationship to Congress. Further, Congressional oversight is now an issue. The effect of this has been a perceived lack of accountability to Congress.

OPTIONS:

1. Arguments why the charter should be primarily statutory:

- The Constitution requires Executive action to be based on statute in most areas of government.
- Congress is bent on exercising its will and therefore will want to write new laws.
- A statute is more permanent and thus the Community could better predict the standards by which it will be judged.
- In the nature of things Congressional attempts to write a charter will essentially focus on past abuses.

- If you propose a statutory charter for the Community, you show initiative in dealing with the problem.
- In writing legislation (as opposed to the Select Committees' investigations) the necessity for a "general" charter will be recognized.

2. Arguments why the charter should be primarily administrative (a series of Executive Orders and guidelines by agency heads, supplementing minimal modification of existing legislation).

- Under the Constitution, foreign policy and thus foreign intelligence, is an Executive responsibility.
- The Community has had a mixed statutory and administrative charter for the last 30 years and it has worked well.
- It is impossible to foresee all of the actions that will be necessary, and relying on detailed legislative authority for authorization is risky; the President must maintain flexibility to operate in foreign affairs without detailed restrictions from Congress.
- The public will receive some assurance from the mixed charter, though perhaps not as great as from a statutory charter, depending in part on the firmness and perceived intent of the Presidential statement. (If your intent is

activities and to gain control over it, then the public will be less concerned by the form of the charter.)

ISSUE: Should a new Congressional-Executive relationship provide for greater Executive Branch accountability to Congress?

OPTIONS:

1. All efforts of Congress to institute new forms of accountability should be opposed since foreign policy and intelligence is essentially an Executive Branch matter.
 - Exclusive Presidential authority over intelligence is a plausible though controversial interpretation of the Constitution.
 - With increased accountability to Congress will necessarily come greater Congressional control and interference.
 - Whatever merits of this position, it is doubtful that it can be maintained for long, given the degree of public and Congressional concern over Community abuses.
2. The Executive Branch should be more accountable to Congress, and this should be defined through negotiations between the Branches. (This may be the Hughes Amendment requiring reporting of covert actions,

supplemented by some approval on specific actions, budget approvals, etc.)

- We have already crossed the bridge of Congressional involvement in intelligence matters, and it will be difficult to exclude Congress in the future, particularly on covert actions.
- The traditional oversight mechanisms are no longer valid (because of the collapse of Congressional leadership) and the Executive must take the lead in working out new arrangements.
- Congressional oversight is in fact not likely in the long run to prove onerous, since attention of Congress will tend to flag as these things become more routine.
- Nonetheless, there will always be a countervailing pressure of individual Congressmen to release information gathered, thus frustrating the intent of the Executive. Also, the leaks which have occurred from the Select Committees on Intelligence at the very least raise a strong presumption that sensitive national security information is compromised once given to Congress.
- The Angola matter demonstrates that the present system is inadequate. You do not have sufficient support to gain approval of your positions in Congress.

D. THE NEED TO CLARIFY RELATIONSHIPS WITHIN THE EXECUTIVE BRANCH

Many of the key issues in the Organization and Management section of this book, and in other studies, turn on the relationship between the head of the Intelligence Community (now the DCI) and the Secretary of Defense. This relationship is key because it affects:

- 1) the amount of "competition" in the analysis which produces intelligence;
- 2) where the balance is struck in allocating resources between "national" and "tactical" intelligence; and
- 3) the efficiency in collecting information and producing intelligence.

There are some subtle problems which this relationship raises. For example, to the extent the DCI is viewed as an adviser (and hence stripped of his managerial and/or policy-making roles) his intelligence product is more credible because he is not perceived as biased towards one institution. However, once he loses his institutional "base", he is likely to become less effective in bureaucratic struggles with the Defense and other Departments and eventually could end up with very little, if any, real control over the Intelligence Community.

Another management variable which greatly impacts the functioning of the Intelligence Community, is the process of presenting intelligence to you and your senior advisers. Here the role of the NSC and its staff is critical. The DCI

has direct access to you, but the NSC and its staff are involved in specifying requirements for studies and production, managing the consumer/producer dialogue, approving [through the 40 Committee) covert operations, and using the product as a basis for its own evaluations and assessments. The Assistant to the President for National Security Affairs is a primary channel for intelligence to the President.

In making your Executive Branch organization and management decisions, you may wish to use the following as guideposts:

- (1) There needs to be a strong and independent head of the Intelligence Community who is not so committed to one bureaucracy that he loses his objectivity.
- (2) The Community leader should have enough of an institutional "base" so as to maintain his independence vis-a-vis members of your Cabinet.
- (3) There should be "competition" in the production of intelligence, with good coordination between the agencies.
- (4) You should have direct access to an intelligence official who does not have major foreign affairs or defense policy responsibilities.
- (5) Any organizational changes should be designed to promote technological creativity, such as that which led to development of the U-2's and the Glomar Explorer.

Approved For Release 2004/08/19 : CIA-RDP91M00696R000800010003-5

To assist you in placing the above in context, the following charts are presented as examples of how information flows through the Intelligence Community.

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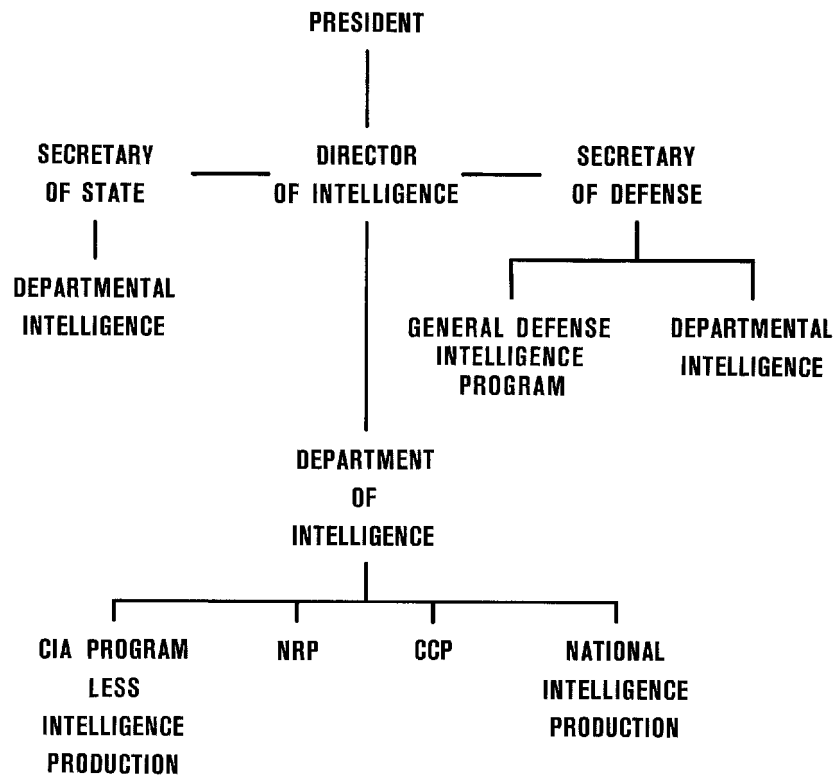
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OPTION I

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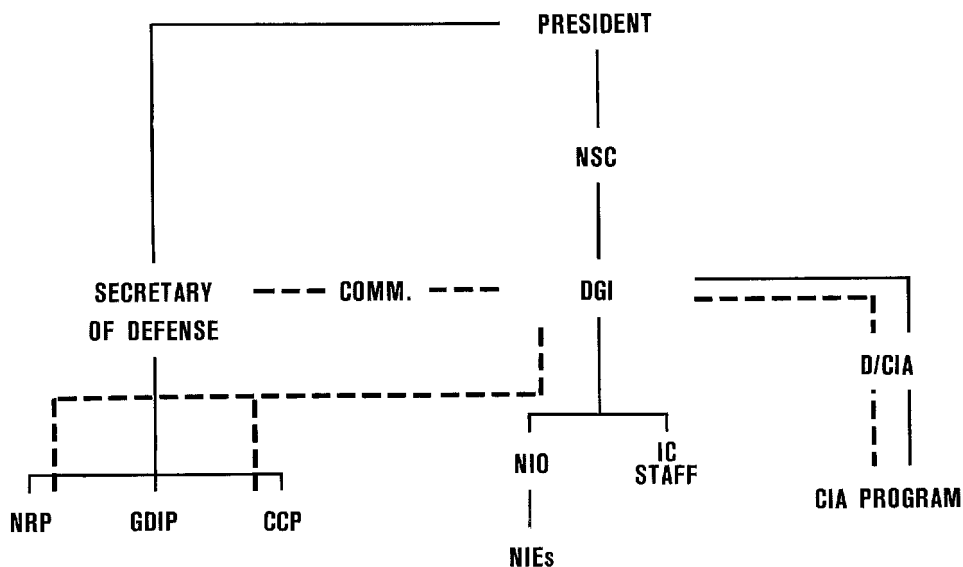


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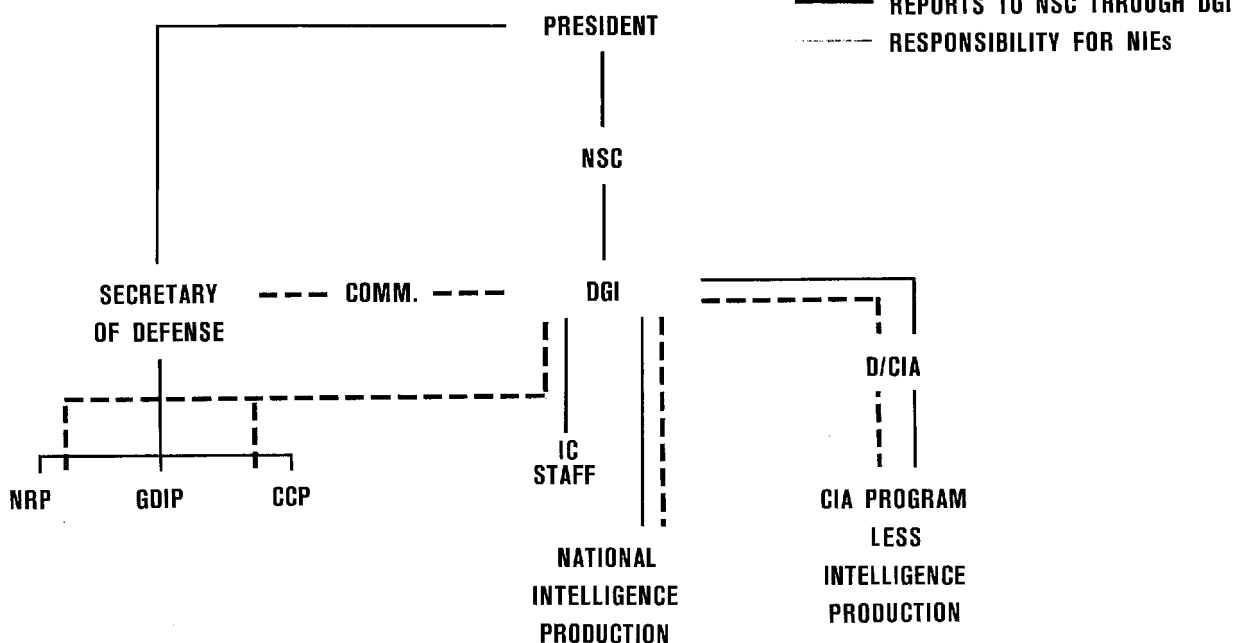
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OPTION II

FROM THE REPORT TO THE PRESIDENT ON THE FOREIGN INTELLIGENCE COMMUNITY



OPTION IIA

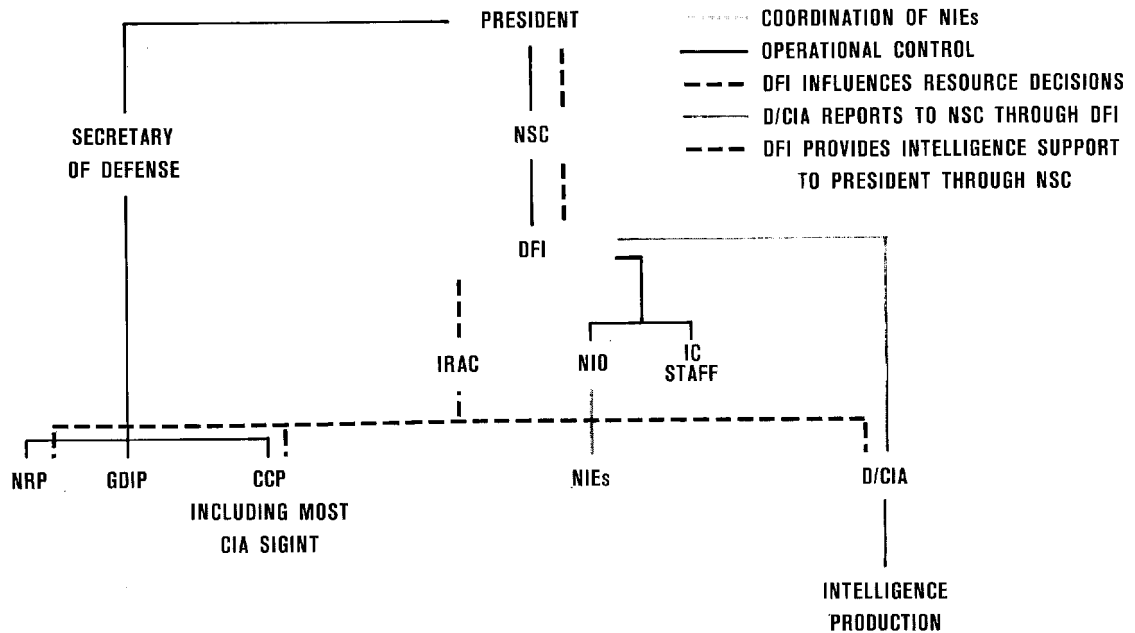


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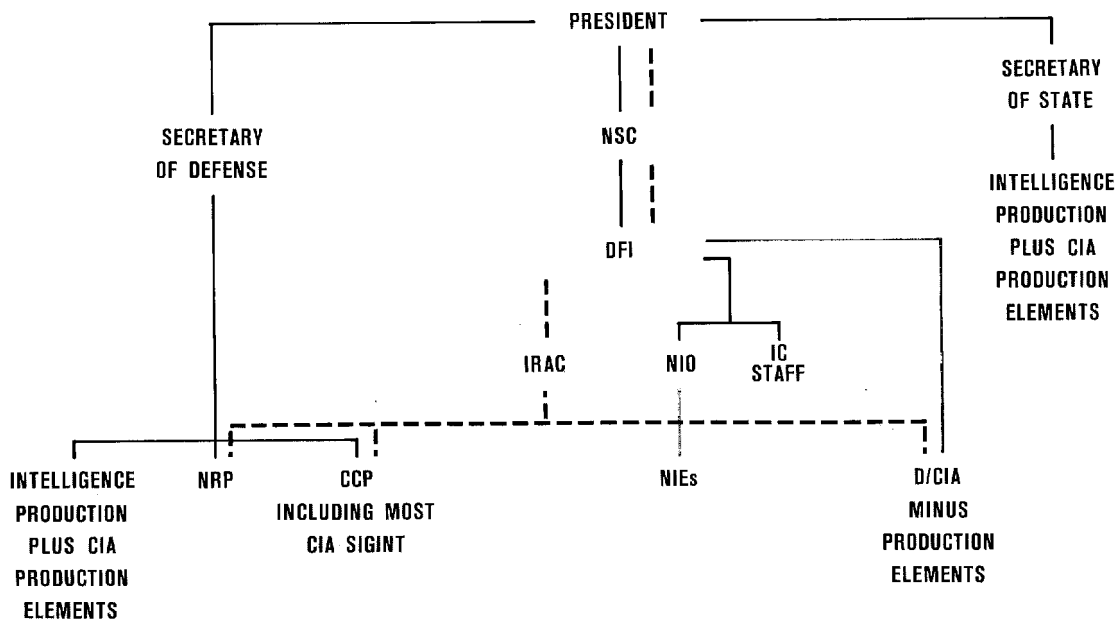
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OPTION III

FROM THE REPORT TO THE PRESIDENT ON THE FOREIGN INTELLIGENCE COMMUNITY



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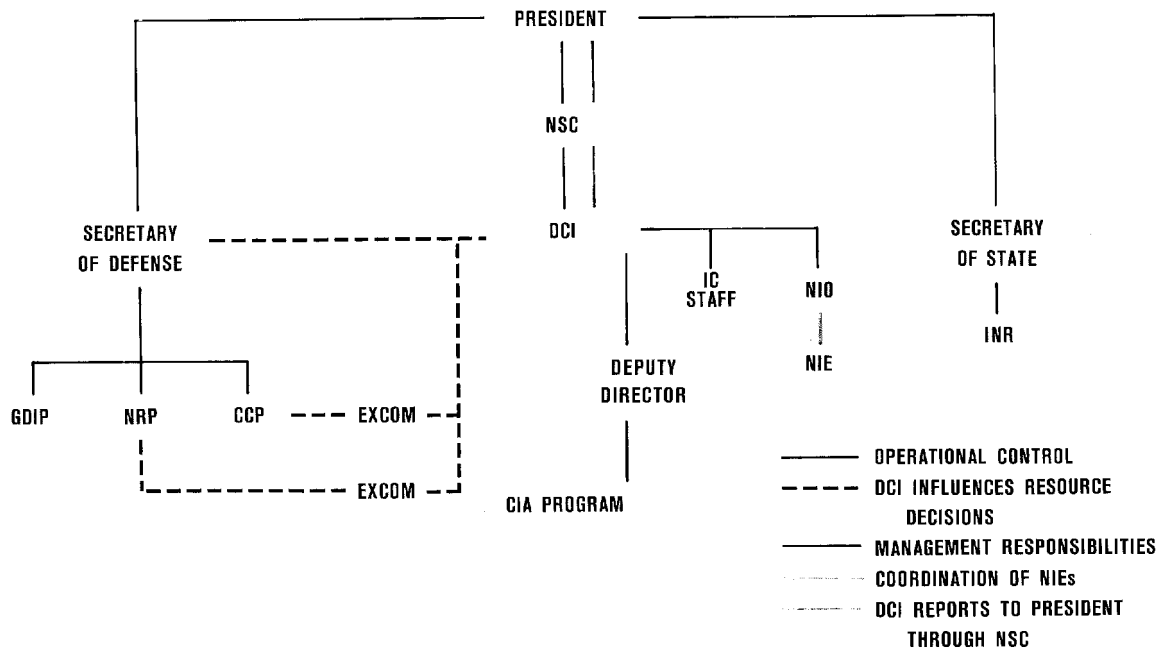


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OPTION IV

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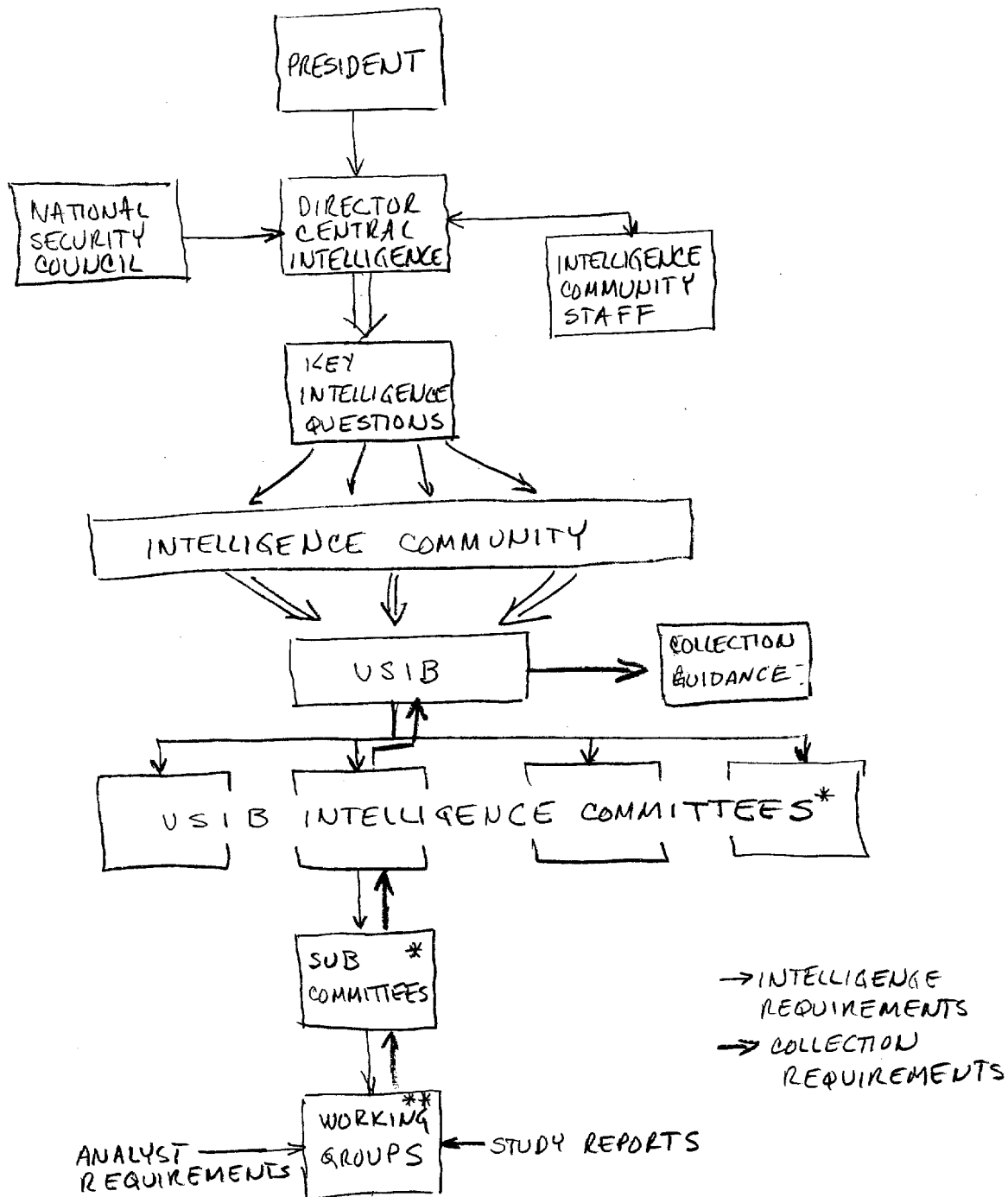
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ORIGIN OF REQUIREMENTS



* MEMBERSHIP USUALLY PARALLELS THAT OF USIB

** MEMBERSHIP DESIGNATED BY CHAIRMAN, APPROVED BY COMMITTEE

The intelligence data requirements which form the basis for large collection systems originate at the USIB. The USIB, in turn, responds to objectives levied upon it by the President or the National Security Council, through the DCI. The objectives at this level take the form of "Key Intelligence Questions for FY 197X," issued yearly by the DCI. The Questions reflect, in greater detail, the Substantial Intelligence Objectives submitted yearly to the President by the DCI.

The Key Intelligence Questions are distributed to the USIB member organizations and serve as guides to each organization in establishing goals and priorities. Of more importance here, they are used to define requirements for data needed by each organization to accomplish its analytical assignments. Because the Questions do not exhaust intelligence needs in their totality, and because typically a variety of data types (e.g., photo, SIGINT, COMINT) are required to answer a single question, a mechanism has been established within the USIB to generate collection requirements which couple departmental needs, lower priority intelligence data requirements and which define specific data requirements. These collection requirements are organized by data class, that is all COMINT requirements are gathered into one collection requirement document, all telemetry collection requirements in another document and so forth. The organizations involved and the data flow are shown in the facing page. In the case of SIGINT requirements, for example, the USIB committees involved are the Signals Intelligence Committee (SIGINT), the Guided Missiles and Astronautics Intelligence Committee (GMAIC) and

The Subcommittee for Overhead Reconnaissance Systems (SORS) of the SIGINT Committee, which deals exclusively with overhead collection systems.

Using this mechanism, the USIB issues, on a yearly basis, a collection guidance document which defines data types (i.e., communications

[REDACTED]

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[REDACTED]

areas of coverage, accuracy of

data, quality and continuity of data required to satisfy the data needs

of the community. The collection requirements take into account the

processing necessary to convert the acquired data into useful intelligence

by each of the involved organizations.

[REDACTED]

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[REDACTED]

This subcommittee, the SORS, mentioned

above, functions as a clearing-house for collection tasking and guidance

to available systems. It is also responsible for ^{gathering} ~~collection~~ future

requirements from the community and drafting the pertinent yearly USIB

guidance to the National Reconnaissance Program (NRP). Because, in general,

the procurement of overhead collection systems tend to be ^{Very costly,} ~~large, high~~

~~cost programs.~~ ^{will examine in some detail} This paper ~~deals with~~ their genesis, review and approval

cycles. The process by which this is accomplished is shown in the

following pages.

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As indicated, the USIB prepares a collection requirements document which provides long range guidance for the NRP. This document is issued on a yearly basis.

The process by which the document is prepared, coordinated and approved by the USIB is shown in the accompanying chart. Using Overhead SIGINT systems as examples and focussing on requirements for data on Soviet missiles, the USIB commissions the Guided Missiles and Astronautics Intelligence Committee (GMAIC) and the Signals Intelligence Committee (SIGINT) to draft the 5 year collection guidance, ^(within the SORS) a working group, with representation from the USIB agencies is established and assigned responsibility for putting together an initial draft. The working group solicits data from each of the cognizant elements, conducting interviews and hearings as necessary. The finished initial draft is submitted to the SIGINT committee for approval.

The collection requirements draft, approved by the SIGINT membership, is then submitted to the USIB for approval (pending differences, if any, are also resolved). The approved document is forwarded to the Director, National Reconnaissance Office (DNRO) who uses it to prepare plans and budgets each year.

This yearly review by all organizations, while cumbersome, is a ~~workable~~ and necessary endeavor. Among the principal benefits are:

- a) It ^{EXPOSES} ~~surfaces~~ completed or obsolete collection requirements. ~~and~~
~~changing priorities to reflect changing needs.~~
- b) It forces a "forward look" to prevent intelligence gaps from building, and

c) perhaps most important, permits flexibility to cope with changes to collection requirements, posture, systems and processes which may be necessary due to:

1) target country operational changes - for example,

[REDACTED]

2) Target country technological advancements - for example, advanced telemetry systems, new missiles, etc.

3) Changing world political picture - for example, the

[REDACTED]

4) Changes in U.S. policy - for example, obtaining economic and drug traffic intelligence.

5) Competition for funds - caused by fixed budgets in an inflationary economy.

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